

HOUSE BILL No. 1213

DIGEST OF INTRODUCED BILL

Citations Affected: IC 24-4.6-5.

Synopsis: Disclosure of credit card terms. Requires credit card issuers to put certain terms in at least 12 point bold print. Establishes penalties for violations.

Effective: July 1, 2005.

Dickinson

January 6, 2005, read first time and referred to Committee on Financial Institutions.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1213



A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 24-4.6-5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2005]:

4 **Chapter 5. Disclosure of Credit Card Terms**

5 **Sec. 1. (a) As used in this chapter, "credit card" means a card,**
6 **plate, coupon, or other similar device that allows the holder to:**

7 (1) **pay for a good or service; or**

8 (2) **obtain a cash advance;**

9 **and to defer the payment of the debt incurred by the holder in the**
10 **transaction under the terms and conditions agreed to by the holder**
11 **and the issuer of the card, plate, coupon, or device.**

12 (b) **The term includes the extension of credit in the manner**
13 **described in subsection (a) for which no periodic rate is used to**
14 **compute a finance charge.**

15 **Sec. 2. As used in this chapter, "Regulation Z" refers to**
16 **regulation 12 CFR 226.5a issued by the Board of Governors of the**
17 **Federal Reserve System to implement the federal Truth in Lending**



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Act (15 U.S.C. 1601 et seq.).

Sec. 3. As used in this chapter, "solicitation" means an offer to establish a credit card account that does not require the person to whom the offer is made to complete an application for credit.

Sec. 4. The requirements of this chapter do not apply to a fee, charge, rate, cost, or other item contained in a credit card application, solicitation, or billing statement governed by the disclosure requirements of Regulation Z.

Sec. 5. A:

- (1) fee;**
- (2) charge;**
- (3) rate;**
- (4) cost; or**
- (5) deadline for a rebate offer;**

contained in a credit card application, solicitation, or billing statement, whether relating to a credit card or an offer for a separate good or service, must be in at least 12 point bold type.

Sec. 6. (a) An issuer of a credit card application, solicitation, or billing statement who violates this chapter is subject to a civil penalty of not more than one thousand dollars (\$1,000) for each violation.

(b) The attorney general may:

- (1) investigate a complaint regarding;**
 - (2) seek injunctive relief for;**
 - (3) seek victim restitution for; and**
 - (4) institute an action to impose and collect a civil penalty for;**
- a violation of this chapter.**

(c) A civil penalty collected by the attorney general under this section must be deposited in the state general fund.

SECTION 2. [EFFECTIVE JULY 1, 2005] IC 24-4.6-5-5, as added by this act, applies to a credit card application, solicitation, or billing statement that is sent to a person after June 30, 2005.

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